

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTHERN MADISON)	
WATER DISTRICT FOR AN INCREASE AND)	
ESTABLISHMENT OF CERTAIN NON-)	CASE NO. 93-242
RECURRING CHARGES)	

O R D E R

On August 13, 1993, Southern Madison Water District ("Southern Madison") filed an application with the Commission for authority to increase its meter connection charge from \$300 to \$475 and its customer deposit from \$30 to \$50. It also proposed to establish a charge of \$15 for reconnection due to delinquent bills if after 3:00 p.m., a customer requests his service be reconnected that day and service cannot be completed prior to 4:00 p.m. Southern Madison further proposed to include in its tariff its rebate amounts for customer-installed lines.

In its cost justification for its meter connection fee, Southern Madison included an amount of \$150 for "rebate to developer/owner for customer installed line." The Commission will not allow such an expense in determining the cost of meter connections; any rebates for line extensions should be paid from an amount deposited with the utility by the customer. Further, Southern Madison failed to average the expense for road crossing for meter connections in its proposed charge.

Southern Madison has provided adequate evidence of the individual expenses incurred to provide the services associated with the proposed charges with the exceptions noted herein.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed charges are equal to the expenses incurred to provide the associated services except for the proposed meter connection fee.

2. The proposed tariff revision to include the District's rebate amounts for customer-installed lines is inappropriate in a non-recurring charge application pursuant to 807 KAR 5:011, Section 10. This shall not, however, prohibit Southern Madison from proposing to include this information in a tariff filing pursuant to 807 KAR 5:011, Section 6.

3. The charges as set forth in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Southern Madison's meter connection fee as proposed in its application be and it hereby is denied.

2. The meter connection fee calculated in Appendix A, attached hereto and incorporated herein, shall be the fee charged by Southern Madison on and after the date of this Order.

3. Southern Madison's customer deposit and after-hours reconnection fee be and they hereby are approved as proposed in the application.

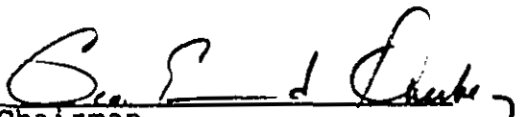
4. Southern Madison's request to amend its tariff to include a rebate for customer-installed lines be and it hereby is denied.

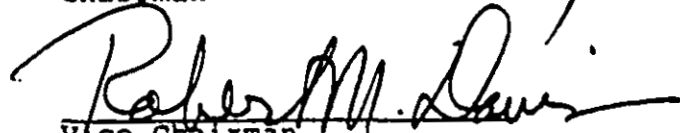
5. The charges in Appendix B are approved for service rendered on and after the date of this Order.

6. Within 30 days after the date of this Order, Southern Madison shall file its revised tariff sheets setting forth the charges approved herein.

Done at Frankfort, Kentucky, this 20th day of October, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-242 DATED OCTOBER 20, 1993

The following rates and charges are prescribed for the customers in the area served by Southern Madison Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

COST JUSTIFICATION FOR SOUTHERN MADISON'S METER CONNECTION FEE

Short-Side Service

Materials and Labor	\$317.01
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Long-Side Service

Materials and Labor	\$317.01
Road Crossing	<u>200.00</u>

\$517.01

Average Meter Connection Fee	\$834.02 + 2 = \$417.01
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APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-242 DATED OCTOBER 20, 1993

The following rates and charges are prescribed for the customers in the area served by Southern Madison Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Meter Connection Charge	\$417
Customer Deposit	\$ 50
Reconnection fee for service disconnected due to delinquent bills when customer requests reconnection after 3:00 p.m. and service cannot be completed prior to end of business hours, 4:00 p.m.	\$ 15